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Posted: 12/5/18
Public Hearing: 12/10/18
Adoption: 12/12/18

CITY OF SELDOVIA

ORDINANCE 19-04

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA, AMENDING CHAPTER 6.18 REAL PROPERTY—SALE OR DISPOSAL

SECTION 1. CLASSIFICATION. This ordinance is permanent in nature and shall become a part of the Municipal Code of the City of Seldovia.

SECTION 2. AMENDING TITLE 6.18 REAL PROPERTY—SALE OR DISPOSAL BY REMOVING LANGUAGE IN ~~STRIKEOUT~~ AND ADDING LANGUAGE IN **HIGHLIGHT TO READ AS FOLLOWS:**

Chapter 6.18 Real Property--Sale or Disposal

Sections:

- 6.18.010 Authority--City.
- 6.18.030 Form.
- 6.18.040 Rights and powers.
- 6.18.050 Public and charitable conveyances.
- 6.18.060 Property exchanges.
- 6.18.070 Grants for federal and state programs.
- 6.18.080 Sale or disposal of industrial sites.
- 6.18.090 Change of use.
- 6.18.100 Real property as security.
- ~~6.18.110 Procedure for sale.~~
- ~~6.18.120 Best bidder--Defined.~~
- ~~6.18.130 Rejection of bids for sale--Subsequent actions.~~
- ~~6.18.133 Property Purchase Application.~~
- ~~6.18.135 Property Purchase Application.~~
- ~~6.18.140 Procedure for lease.~~
- ~~6.18.150 Rejection of bids for lease--Subsequent actions.~~
- ~~6.18.160 Negotiated Leases~~
- 6.18.110 Appraisal required.
- 6.18.120 Methods of disposal and fees.
- 6.18.130 Public notice.
- 6.18.140 Conditions of sale.
- 6.18.150 General sales procedures.
- 6.18.160 Sales by public auction or sealed bid.
- 6.18.170 Best bidder--Defined.
- 6.18.180 Rejection of bids for sale--Subsequent actions.
- 6.18.190 Negotiated sales and exchanges.
- 6.18.200 Negotiated Leases.
- 6.18.210 Leases for space in City buildings.

~~**6.18.110 Procedure for sale.** A. Value established. Prior to sale or disposal of real property or an interest in real property, the City Manager shall establish the fair value of the property, based on borough-assessed value, subject to approval by the City Council. A parcel of real property retaining an estimated value in excess of twenty five thousand dollars shall, in addition, be appraised by an independent professional appraiser prior to sale.~~

~~B. Notice public sale. Notice inviting bids shall be published twice, in a newspaper of general circulation in the City with the first such publication being at least thirty days preceding the last day set for the receipt of bids, and be posted in three public places in Seldovia. The newspaper notice required herein shall name the clerk, recite the legal description of the property to be sold, and shall state:~~

- ~~1. Where bid forms may be secured, the closing time for submission of bids and place of submission, the time and place for opening bids, and other information which may be required for the particular item; or~~
- ~~2. The time and place of public auction.~~

~~C. Bids public sale. Sealed bids, if required by the notice, shall be submitted personally or by mail to the clerk, and shall be identified as bids on the envelope. Mailed bids shall not be accepted unless postmarked prior to closing time for submission or verified by other means to closing time for submission or verified by other means of communication. The property or interest in property to be sold shall be sold to the best bidder if sealed bids are required, or to the highest bidder if the sale is conducted by public auction; no bid under the established fair value may be accepted except as provided in this chapter.~~

~~D. Terms. The purchaser at a competitive bid sale, public auction, or over the counter sale shall immediately pay to the City ten percent (10%) or more of his bid. The balance of the purchase price shall be paid within thirty (30) days or all rights to the property shall be forfeited. (Ord. 83-4, 1983; Ord. 89-5 Sec. 3, 1989)~~

~~**6.18.120 Best bidder Defined.** A. "Best bidder," in Section 6.18.110(C), means that bidder whose bid and whose submitted plans for the use of the property to be sold are considered to have best met the land use plans of the City and the financial interest of the City as property owner. In evaluating the bids and plans, the City Manager shall be consulted and the following shall be considered:~~

- ~~1. The bid price for the property;~~
- ~~2. The compatibility of the proposed use with the general land use plan of the City; and~~
- ~~3. The ability of the bidder to meet his financial obligation and to carry out the plan.~~

~~B. If any bid other than the highest bid is accepted, there shall be submitted to the unsuccessful higher bidder or bidders a written statement setting forth the reason for refusing the bid or bids, within ten days. The minutes of the Council relating to the matter are a sufficient statement. (Ord. 78-2(part), 1978)~~

~~**6.18.130 Rejection of bids for sale Subsequent actions.** Council~~

~~Powers. If the sale is by sealed bid, the Council may:~~

- ~~A. Reject defective or nonresponsive bids;~~
- ~~B. Reject all bids;~~
- ~~C. Authorize negotiation by the City Manager with bidders whose bids and plans are substantially equal and most approximate best bids; or~~
- ~~D. Reschedule the sale for bidding, after making substantial changes in the specifications for plans to give sufficient notice of the deficiencies found in the proper submitted bids.~~
- ~~E. Provide for over the counter sales. (Ord. 83-4, 1983; Ord. 78-2(part), 1978)~~

~~**6.18.133 Property purchase application.** Applications for purchase must include the following items:~~

- ~~A. Land use plans;~~
- ~~B. Plot plans;~~
- ~~C. Building plans to include elevations;~~
- ~~D. Timetable for development. (Ord. 83-4, 1983)~~

~~**6.18.135 Property development plan implementation.** Developer must complete development plans within two years of the date of purchase agreement. The City Council may extend the time upon formal application of the developer to the Council. (Ord. 83-4, 1983)~~

~~**6.18.140 Procedure for lease.** A. Value Established. Prior to leasing real property or an interest in real property the City Manager shall establish a minimum acceptable annual rental value.~~

~~B. Notice.~~

~~1. Notice inviting bids shall be posted in three public places in Seldovia at least one week proceeding the last day set for receipt of bids.~~

~~2. If disposal of land or interest in land is authorized by negotiated lease as defined in SMC section 6.18.160, an ordinance approving the disposal shall be given in the same manner as for other ordinances and a public hearing shall be held.~~

~~C. Bids. Sealed bids shall be submitted to the clerk by mail or in person on; or prior, to the time and date specified in the notice inviting bids and shall be identified as bids on the envelope.~~

~~D. Public Lease. The property or interest in property to be leased shall be leased to the best responsive bidder.~~

~~E. Duration. Leases shall be set upon approval by the City Council on a case-by-case basis.~~

~~F. Lack of Bids. In the event a qualifying bid is not received, the City Manager is authorized to negotiate a lease of the property. (Ord. 81-1(part), 1981)~~

~~————G. Renewal. If, at the expiration of any lease of any lands hereunder, the lessee desires a renewal lease on the land, properties, or interests covered thereby, he or she shall, not sooner than one hundred eighty (180) days prior to the expiration, make application for a renewal lease in writing on forms provided entitled "Application for Renewal of Lease," certifying under oath as to the character and value of all improvements existing on the lands, properties or interests therein, the purpose for which he or she desires to renew the lease, and such other information as the mayor shall upon recommendation of the planning commission and direction of the Council issue a renewal of the lease to the lease. The date that the application for renewal of lease is presented to the office of the City Manager, as evidenced by the date stamped thereon, whether delivered or forwarded by regular, certified or registered mail, shall be binding.~~

~~**6.18.150 Rejection of bids for lease—Subsequent actions.** If the lease is by sealed bid the City Manager may:~~

~~A. ———Reject defective or nonresponsive bids;~~

~~B. ———Reject any or all bids;~~

~~C. ———Negotiate a lease with bidders who bids and plans are substantially equal and most approximate a best bid. (Ord. 81-1(part), 1981)~~

~~————**6.18.160 Negotiated leases:**~~

~~————A. The City Manager, with the approval of the Council by Ordinance, may negotiate a lease of City land without public auction or sealed bid and without voter ratification under the following conditions:~~

~~————1. The lease is for a beneficial new industry or economic development;~~

~~————B. An application to lease City lands for a beneficial new industry or economic development under this subsection shall be made by completing an application to lease City land and shall include a complete business plan for development and use of the property requested.~~

~~1. The City may from time to time, make such other requirements as it deems proper before the issuance of such leases. For example, but limited to; length of the lease or terms for payment.~~

~~————C. The lessee's failure to develop and use the land in accordance with the approved plan may result in revocation of the lease.~~

~~————D. Renewal. Renewal of negotiated leases under this section are subject to the conditions set forth in Section 6.18.140 G.~~

6.18.110 Appraisal required. No lands or any interest in land shall be sold or exchanged unless the same has been appraised by a qualified appraiser within six months prior to the date fixed for the sale or exchange. The City Manager shall be responsible for having such appraisal made and it shall reflect any restrictions on

the use of the land as offered for sale. Alternatively, the latest available Kenai Peninsula Borough assessed value may be used. No land shall be sold or exchanged for less than the approved minimum appraised or assessed value.

6.18.120 Methods of disposal and fees. Land or any interest in land may be disposed of under one of the following procedures as approved by the City Council:

1. By public auction or sealed bid to the highest qualified bidder.
2. By negotiated sale, lease or exchange.
3. By over-the-counter sales.
4. Through the use of real estate brokers.
5. By any other means permitted by law.

6.18.130 Public notice.

A. Sale or Lease of Land. Except as otherwise provided in this chapter, public notice shall be given of any sale of lands or any interest therein. Notice shall be published shall be posted in three public places for three consecutive weeks preceding the time of sale or lease stated in the in the vicinity in which the land or interest therein is to be sold or leased. In no event shall the sale or lease be held less than nine days nor more than three weeks following the last date of publication. Such notice shall set forth a description of the land and the interest therein to be sold or leased and the time, place and general terms of the sale or lease and limitations.

B. Negotiated Sales, Leases and Exchanges. If disposal of land or interest in land is authorized by negotiated sale or lease, or by exchange of lands, public notice or the ordinance approving the disposal shall be given in the same manner as for other ordinances and a public hearing shall be held.

6.18.140 Conditions of Sale. Any sale or other disposition of City lands or any interest in lands shall be subject to terms and conditions as set forth in this chapter and in the City ordinance or resolution approving the disposition. The City Manager may impose additional conditions, limitations and terms for the protection of the interest of the City and the public.

6.18.150 General Sale Procedures. All applications for purchase or lease of City land shall be filed with the City on appropriate forms provided by the City. The filing of an application for purchase shall not in any way vest any right in the applicant to the land or to the use of the land applied for. Applications for purchase must include the following items:

1. Land use plans;
2. Plot plans;
3. Building plans to include elevations;
4. Timetable for development. (Ord. 83-4, 1983)

6.18.160 Sales by public auction or sealed bid.

A. Public auctions shall be held by the City Manager or his or her representative. At the completion of the auction of each tract of land, the City

Manager or his or her representative shall indicate the apparent high bidder. The City Manager may reject all bids in the best interest of the City.

B. Upon deposit of the required sum by the apparent high bidder, the City Manager or his or her representative shall immediately issue a receipt containing a description of the land or interest therein sold, the price bid and the terms of the sale, which receipt shall be acknowledged in writing by the bidder. Upon completion of the final payment on the contract of purchase, the City Clerk will issue to the purchaser a quitclaim deed. A contract of sale or lease in a form approved by the City Attorney shall be signed by the purchaser or lessee.

C. Sealed bids, if required by the notice, shall be submitted personally or by mail to the clerk, and shall be identified as bids on the envelope. Mailed bids shall not be accepted unless postmarked prior to closing time for submission or verified by other means to closing time for submission or verified by other means of communication. The property or interest in property to be sold shall be sold to the best bidder if sealed bids are required, or to the highest bidder if the sale is conducted by public auction; no bid under the established fair value may be accepted except as provided in this chapter.

D. Terms. The purchaser at a competitive bid sale, public auction, or over the counter sale shall immediately pay to the City ten percent (10%) or more of his bid or in case of a lease offering, an amount equal to the annual rent. Lands to be purchased for a principal sum of \$500.00 or less will not be sold on contract but will be paid for in full. The balance of the purchase price shall be paid within thirty (30) days or all rights to the property shall be forfeited. (Ord. 83-4, 1983; Ord. 89-5 Sec. 3, 1989)

6.18.170 Best bidder--Defined.

A. "Best bidder," in Section 6.18.160(D), means that bidder whose bid and whose submitted plans for the use of the property to be sold are considered to have best met the land use plans of the City and the financial interest of the City as property owner. In evaluating the bids and plans, the City Manager shall be consulted and the following shall be considered:

1. The bid price for the property;
2. The compatibility of the proposed use with the general land use plan of the City; and
3. The ability of the bidder to meet his financial obligation and to carry out the plan.

B. If any bid other than the highest bid is accepted, there shall be submitted to the unsuccessful higher bidder or bidders a written statement setting forth the reason for refusing the bid or bids, within ten days. The minutes of the Council relating to the matter are a sufficient statement. (Ord. 78-2(part), 1978)

6.18.180 Rejection of bids for sale--Subsequent actions. Council Powers. If the sale is by sealed bid, the Council may:

- A. Reject defective or nonresponsive bids;
- B. Reject all bids;

C. Authorize negotiation by the City Manager with bidders whose bids and plans are substantially equal and most approximate best bids; or

D. Reschedule the sale for bidding, after making substantial changes in the specifications for plans to give sufficient notice of the deficiencies found in the proper submitted bids.

E. Provide for over the counter sales. (Ord .83-4, 1983; Ord. 78-2(part), 1978)

6.18.190 Negotiated sales and exchanges.

A. The City Manager may, with the approval of the City Council by ordinance, negotiate a sale or exchange of City land without public auction or sealed bid if the following conditions exist:

1. The application to purchase or exchange City land is:

a. By an owner of property contiguous on a side with the City land applied for and the purchase is necessary for the proper utilization of the owner's contiguous property;

b. By the United States, the state or a political subdivision;

c. By a public utility for facilities serving the general public;

d. For a beneficial new industry; or

e. For a particular, stated purpose in the best interests of the City, and the Council approves the sale with appropriate findings and conditions;

2. The land so sold or exchanged shall not be used by the purchaser, his or her heirs or assigns for any purpose other than that for which it has been classified by the City Council at time of sale or unless otherwise zoned subsequent to sale;

3. No such sale or exchange shall be made if the result of such sale or exchange were to hinder or prevent the utilization of a larger parcel of City land to its best advantage;

4. Such sale or exchange is in the best interest of the City.

B. Negotiated sales shall be subject to all other requirements and conditions applicable to sales under this chapter.

6.18.200 Negotiated leases.

A. The City Manager may, with the approval of the Council by ordinance, negotiate a lease of City land without public auction or sealed bid and without voter ratification under one or more of the following conditions:

1. The lease is for property the fair annual rental value of which is \$2,500 or less for a term not exceeding 10 years and an annual rental value not less than eight percent of the appraised value; or

2. The lease is for a beneficial new industry, subject to the terms of this chapter; or

3. The lease is for a public purpose, to a governmental agency or not-for-profit corporation formed for the purpose of carrying on the public service; or

4. The lease is to a public utility, for a site for public utility facilities, in which case no appraisal of the leased property is required.

B. Leases approved under this section shall be subject to all other requirements and conditions applicable to leases under this chapter.

C. Leases for Public Purpose. Application for a lease for public purposes shall be made in the same manner as other applications and shall contain a plan for development and use of the property requested. The Council shall, in each case, determine that the proposed usage of City property is for a worthwhile public service, that there will be no discrimination in providing service, and the usage is nonprofit. The City may, from time to time, make such other requirements as it deems proper before the issuance of such leases. Failure to carry out such plan as submitted and agreed upon may result in revocation of the lease.

6.18.210 Leases for space in City buildings. Notwithstanding any other provisions of this chapter, the City Manager may, subject to the approval of the City Council by resolution, award a lease for space in a building owned by the City either by negotiation or to the person that submits the best proposal in response to a request for proposals. Any such leases shall be restricted to the following uses:

A. Government agencies or nonprofit organizations providing a public service.

B. The provision of goods or services, on either a for-profit or nonprofit basis, that support or complement the public uses or functions for which the building is used.

C. Provide revenue to the City from the productive use of building space that would otherwise not be required for any public purpose during the lease term.

6.18.220 Leases--Duration. Leases issued shall not exceed five years in duration, but are renewable at the option of the City Council. All leases shall be revocable when used contrary to the conditions under which they are granted, or when Council in its judgement determines that the best interest of the City would be served by revocation.

SECTION 3. EFFECTIVE DATE. This ordinance becomes effective upon its adoption by the City Council.

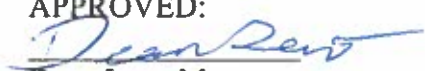
ADOPTED by a duly constituted quorum of the City Council of the City of Seldovia, Alaska
this 10 day of December, 2018.

ATTEST:


Heidi Geagel, City Clerk



APPROVED:


Dean Lent, Mayor

Vote:

Colberg - *y*
Campbell -
Morrison - *y*
Rojas - *y*
Lethin - *y*
Sweatt - *y*